MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BAC1034 – PRINCIPLES OF FINANCIAL ACCOUNTING

(All Sections / Groups)

13 JULY 2023
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 5 pages excluding the cover page with **FOUR** (4) Questions only.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.
4. All questions must be answered in English.

QUESTION 1

a) Sport Cycling Enterprise has the following transactions for the month of March 2023:

Mar

4 Purchased 55 folding bicycles on account at a cost of RM215 each from ByCycle Sdn. Bhd. with terms 2/15, n/30.

7 Sold 16 electric bicycles on credit to Cheras Community Team for RM1,100 each, with terms 3/10, n/30. The bicycle cost is RM890 each.

10 Returned one defective bicycles to ByCycle Sdn. Bhd.

13 Cheras Community Team returned two defective bicycles.

15 Received full payment from Cheras Community Team.

17 Paid ByCycle Sdn. Bhd in full, less discount.

Required:

Prepare the journal entries to record the transactions if Sport Cycling Enterprise uses a periodic inventory system.

(14 marks)

b) Given is the accounts of Bestie Sdn. Bhd. for the year ended 30 April 2023:

	RM
Sales Revenue	860,500
Sales Returns and Allowances	12,600
Sales Discounts	8,100
Freight-Out	12,400
Advertising Expense	28,000
Salaries and Wages Expense	227,000
Utilities Expense	23,000
Depreciation Expense	12,000
Purchases	355,000
Purchase Discounts	18,600
Freight-In	16,500
Ending Inventory	18,200
Beginning Inventory	22,800

Required:

Prepare the Statement of Profit or Loss for Bestie Sdn. Bhd. for the year ended 30 April 2023.

(11 marks)

[Total: 25 marks]

Continued...

QUESTION 2

a) Worldwide Sdn. Bhd. (WSB) uses the periodic inventory system. The following information is available for the month of June:

June		
1	Beginning inventory	220 units @ RM56
10	Purchase	200 units @ RM60
15	Sales	280 units
18	Purchase	145 units @ RM65
21	Sales	230 units
30	Purchase	100 units @ RM68

Required:

Compute the Cost of Goods Sold and Ending Inventory for the month of June for WSB under:
(i) FIFO
(ii) Average cost

(15 arks)

b) Moonlight Enterprise provided the following bank information for the month ended 31 March 2023; cash balance per bank RM26,550; outstanding checks RM2,830; deposits in transit RM2,120; and bank service charges RM33.

Required:

Prepare the adjusted cash balance per bank at 31 March 2023. (5 marks)

c) SoSoon Enterprise has the following cash disbursements activities:

1. Company checks are prenumbered.
2. The bookkeeper, not the treasurer, records cash disbursements.
3. Only the treasurer is authorized to sign checks.
4. Blank checks are stored in a locked safe.
5. All employees are required to take vacations.

Required:

Identify the internal control procedures applicable to cash disbursements practised by SoSoon Enterprise.

(5 marks)
[Total: 25 marks]

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QUESTION 3

a) Sunshine Berhad has the following transactions:

1. Declared and paid dividends on ordinary shares.
2. Repaid 10 years note payable.
3. Paid employee salaries.
4. Sold long-term investments for cash.
5. Sold merchandise to customers.
6. Acquired long-term investment with cash.
7. Sold buildings and equipment for cash.
8. Collected accounts receivable.
9. Paid accounts payable.
10. Issued ordinary shares.

Required:

Classify each transaction as either an operating activity, an investing activity, or a financing activity.

(15 marks)

b) Sunlight Sdn. Bhd. provides balances of the current asset and current liability accounts for 2022 and 2021 as follows:

	2022 (RM)	2021 (RM)
Cash	120,000	156,000
Accounts receivable	140,000	169,000
Inventories	135,000	76,000
Prepaid expenses	10,000	19,800
Accounts payable	52,000	38,000
Income taxes payable	7,500	11,200

Additional information:
1. Net income for 2022 was RM222,000.
2. Depreciation on noncurrent assets for 2022 amounted to RM85,000.
3. Loss on disposal of noncurrent assets for 2022 was RM3,000.

Required:

Prepare the cash flows for 2022 from the operating activities section of the Statement of Cash Flows using the indirect method for Sunlight Sdn. Bhd.

(10 marks)
[Total: 25 marks]

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QUESTION 4

a) The comparative Statement of Profit or Loss of Berusaha Sdn. Bhd. are shown below.

Berusaha Sdn. Bhd.
Comparative Statement of Profit or Loss
For the Years Ended 31 December

	2022 (RM)	2021 (RM)
Net sales	645,000	550,000
Cost of goods sold	258,000	266,000
Gross profit	387,000	284,000
Operating expenses	248,000	200,000
Net income	139,000	84,000

Required:

Prepare:
(i) a horizontal analysis of Statement of Profit or Loss data for Berusaha Sdn. Bhd. using 2021 as a base. (5 marks)

(ii) a vertical analysis of Statement of Profit or Loss data for Berusaha Sdn. Bhd. in columnar form for both years. (5 marks)

b) The following are the selected financial statement data for Jaya Sdn. Bhd. for the year ended 31 December 2022 and 2021.

	2022 (RM)	2021 (RM)
Cash	60,000	85,000
Short-term investments	44,000	19,000
Accounts receivable (net)	156,000	144,000
Inventories	120,000	60,000
Total current assets	**380,000**	**308,000**
Total current liabilities	**250,000**	**200,000**

During 2022, net sales were RM845,000, cost of goods sold was RM620,000, net income was RM225,000 and cash dividend was RM60,000.

Required:

Compute the following ratios at 31 December 2022:
(i) Current ratio.
(ii) Acid-test ratio.

Continued...

(iii)Accounts receivable turnover.
(iv)Inventory turnover.
(v) Profit margin.
(vi)Payout ratio.

(15 marks)
[Total: 25 marks]

End of paper.